

**SPECIAL MEETING  
COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS**

**May 17, 2004**

**4:00 PM**

Chairman Forest called the meeting to order.

Chairman Forest stated that Alderman Gatsas called and said he would be about 15 minutes late.

The Clerk called the roll.

Present: Aldermen Forest, Gatsas (late), Osborne, Porter, Lopez

Messrs: Guy Petell, Steven Tellier, Stephan Hamilton, Tom Nichols,  
Mayor Baines, Robert MacKenzie, Thomas Arnold

**TABLED ITEM**

On motion of Alderman Porter, duly seconded by Alderman Lopez, it was voted to remove the item from the table.

Discussion relative to the 2005 revaluation.

Chairman Forest stated this is in reference to questions that were asked at the last meeting and the members of the Board of Assessors are here.

Steven Tellier, Chairman of the Board of Assessors, stated members of the committee, on Friday delivered to your homes was response to Alderman Porter's questions to the best of our ability. What I'd like to do now also is pass out something else that will help in your deliberations. What's being passed out is a copy of the answers from the Department of Revenue Administration to the questions as we posed them. In addition is a Manchester to Nashua survey that was done on the overlay issue and appropriations over several years to show that Manchester has for quite some time been very frugal in its appropriations and expenditures of overlay monies, and third is a staffing survey of all 13 New Hampshire cities. So with that being said, I'd like to open up our Board to any questions that your committee would have.

Alderman Porter stated just a comment. I received this I think it was Friday and to me the couple of things that as far as the tax base and the overlay, those are fairly simple projections. I think the rest of it as far as I can see just shows me that we're definitely going to have a substantial shift from commercial to residential and as far as deliberations Steve, I don't think this committee is putting itself in a position to vote on whether you do a reval or don't do a reval. That is not within the prerogative of a committee or the Board of Aldermen. As you know if the Board of Assessors decides to do a revaluation, you go out and change values of properties. That does to require approval. If funding is needed, then obviously that's another issue. I think that is the area that wouldn't even be on the committee, would be probably at the full Board level through a budget. So just to straighten it out, it's not something that the committee votes on. My whole purpose is to get as much information to the public beforehand as possible and I still don't believe that it is in the best interest of the City or of the taxpayers primarily to do a revaluation in 2005. This whole thing isn't about whether a revaluation is done or not, we can use statistics to support pretty much any position we'd like to take. I think we know that with the changes in the laws we're going to have to be more frequent reevaluations. If you call it an update, an update is a form of a revaluation. I think any time you change people's assessments, and this is my only concern because we just had one three years ago and I guess I would like to have some sort of rational, not necessarily from the DRA but from the best interest of the taxpayers and quite frankly I don't think there's really any way that you can show that it is in the best interest of the taxpayers to do it in 2005 as opposed to 2006. This is simply an opinion I have and I just think there's going to be a tremendous shift and I think it's probably going to be more along the line of the 65/35 scenario, which would represent approximately 12 1/2 percent reduction from a commercial portion. And I think that that necessarily would then have to be picked up by the residential part and all I want to do is get out information so that people are forewarned, will be prepared to answer things, and to be prepared to accept and understand it and as I said, there is nothing in here statistically showing sales that occurred from September 1 until now, and maybe that wouldn't show anything, I don't know. But until an analysis were done it may not. I don't really have any questions and just want to make it clear that there's not vote as to whether a revaluation is done or not, that is solely within the prerogative of the board of Assessors and that's what is unique about Manchester is you don't need Aldermanic authority to change people's assessments. The only area that you'd approval on would be funding, so I accept this as you've written it and I do believe that there will be a substantial shift from commercial to residential and I think it's going to create serious problems for the taxpayers.

Alderman Porter moved to receive and file the communication.

Alderman Osborne asked Steve, what advantage would there be whether we it in 2005 or 2006? What would be the advantage to 2005 over 2006 or 2006 over 2005?

Assessor Tellier answered the simple answer right now Alderman is that it's our believe that should we not accomplish a valuation update in 2005, that we would subsequently be ordered to undergo a full revaluation and we're looking at 1) following the letter of the law as we interpret it and even more importantly, 2) right now we estimate to cost to do a valuation update contractually to be approximately \$750,000, should we be ordered there is an equally good chance that we could be ordered to undergo what is called a full revaluation, that's where they put a tape measure to every building and for approximately 8 months you'd see people remeasuring, that would more than double the cost of the job. Additionally to that, we would have another level of bureaucracy in the form of Board of Tax and Land Appeals oversight and we would not be in the driver's seat any longer. That's the advantage Alderman.

Alderman Osborne asked so what do you need from us?

Assessor Tellier answered Alderman Porter hit the nail on the head. Basically it's the funding. We handed out a survey that showed staffing levels and contrary to what some Aldermen have alluded to in the past, we do not have the resources to do an in house revaluation. We would have to contractually bring in a private contractor to assist us with that job.

Alderman Osborne asked so we're talking \$750,000?

Assessor Tellier answered right, and in fiscal year 2004 – 2005 a sum of \$500,000 was appropriated, that's set aside in the CIP, and in this year's appropriation request in CIP we've asked for another \$250,000 for the sum of \$750,000. What we're looking for is approval from the Board to release those funds as a technical authority.

Alderman Osborne asked you're talking about approval from the full Board?

Assessor Tellier answered the full Board.

Mayor Baines stated I appreciated Alderman Porter's interpretation of it because we've been looking at it very closely and I concur with that, that the responsibility is with the Assessors. Regarding that, the issue of funding because there is a funding attached to it, they have to come and ask for an appropriation. I did ask

the City Solicitor to look at this issue and he basically advised me in terms of looking at the law that he saw perhaps some gray area in the law, but his assessment to me was if you do not do it, it would be like rolling the dice in terms of what would happen with the Board of Tax and Land Appeals. Also in some conversations with some officials at DRA today, the Board of Tax and Land Appeals, that could be a petition by one citizen of Manchester to bring that issue before them and also the Board has been known to act basically just on what they are observing happening in local communities. So it is my position that we should follow through on this at the recommendation of the Assessors, it is their determination that we need to do this and required to do it, and I would ask the Board to provide the funding, which I think is really the outstanding issue that's before us. Because I don't really believe the Board of Mayor and Aldermen can say we're not going to do it because we have to follow the law.

Alderman Lopez stated I concur that it's up to you three gentlemen to make that decision by the law. I just hope that you're making the right decision for the citizens of Manchester. I don't agree with it, but that's the law and people have to understand that it is the law. So if something goes wrong after this reval, you three are going to be totally responsible for it, not this Board of Mayor and Aldermen because you have that fiduciary responsibility under State law. But in saying that, looking at Guy Petell's answers to some of the questions, I still have to ask you Guy.

Assessor Tellier stated if I might intercede momentarily, being passed out right now is a letter that we recently received just now from the Commissioner of the Department of Revenue Administration, so if you take a moment to read it and then we can discuss it at length afterwards.

Alderman Lopez stated I think that's exactly what I said last time. If I'm reading this...if you had a plan in place basically that's what they're saying, the same thing that I said last time.

Assessor Tellier stated I would defer to Guy Petell to outline what the DRA would regard as a plan.

Guy Petell, Manager of the Assessment Bureau, Department of Revenue Administration, stated what I brought down with me is a letter. The Department of Revenue has had a meeting recently and discussed how we would look at the City of Manchester based on the facts that we know at this time and the statistics that we've seen. So what this basically says is that we realize that to get something done for 2004 would be virtually impossible, but if the money is appropriated and a signed contract is in place at the end of the review year, which will be about 10 to 11 months from now, that the Department will accept that. If

there is nothing in place or it's deferred until the year 2006 that the Commissioner is stating here that he will bring the City of Manchester before the BTLA to let them determine what should be done.

Alderman Lopez stated understanding that, Guy can I ask you a question? Going through this reveal that the Assessor plan on doing, is there any calculation if Manchester goes from \$5 billion to \$8 billion as to the educational funding that's up at the State?

Mr. Petell answered that's not something that I can answer. I've never calculated that, so I don't know.

Alderman Lopez asked have the Assessors checked into that? Maybe I'm over cautious but I'm concerned as to whether we're a poor town and I know that we have Senator Gatsas up there as to whether that would have any bearing as to the...maybe he can answer that question better than anybody. If we went to \$8 billion, would that have any effect on a reval?

Mr. Petell interjected I will add that we equalize those values now, so we're assuming that the equalization rate, the sales that we analyze at the Department of Revenue, put you somewhere in the ballpark once we equalize your numbers and bring it to 100 percent that they are within a few percentage of where they should be at this point. We realize they're not perfect, but they certainly put you in the ballpark of 100 percent.

Alderman Gatsas stated the only statement that I would make to you in regards to education funding right now, if you had that crystal and give us all an answer you probably would be making 425 people happy in the State up in Concord. I don't think that there's any possible way of concluding what education funding...you can't even tell what education funding is going to look like this year. It could be a shortfall to the City of Manchester or \$20 million.

Alderman Lopez asked Guy, in reference to your letter and answering some of the questions, some of the smaller towns I presume, the 58 towns are probably smaller than Manchester naturally. Eleven didn't pass and I think its two, and I'm reading this pretty fast, you might refer to the BTLA. What type of timeframe would all of this take place?

Mr. Petell answered the review year takes place actually starting about now, a year ago now, and goes through, and the final piece of that is the equalization piece which finishes up in March. We then look at those statistics or apply those statistics to each one of the towns that are under review to see how they fall. The other pieces are done through the summer and through the fall and early winter.

Alderman Porter asked when will the review of Manchester be finished Guy? Let me back up. When will a report come to the Board of Assessors as to the results of the 2004 review? When will those be available?

Mr. Petell replied I can tell you that the 2003 reviews are just finishing up and the reports are going out now. Understanding that this is the first year that we've been through this process and we are probably a month or two behind where we hope to be in the future. I would say that it's our hopes that next year we'll have the reports out almost immediately or soon after the equalization period is over, which will be sometime in March. So I would say probably the beginning to the middle of April and that's just an assumption on my part, but that's what we're hoping for.

Alderman Porter asked don't you think it's kind of jumping the gun for the DRA to be saying that if we don't have a plan to do a 2005 reval or update that you'll bring us to the BTLA and here's my rationale for that. You don't know for a fact that the Assessors can't do an analysis of properties using the State equalization ratio and apply those ratios to all of the properties within that category and possibly come in between the 90 and 100 percent valuation. This was done in Merrimack several years ago and it was done very successfully and I believe that the DRA's isn't necessarily how you arrive at the values, but if they are accurate and they come in with a reasonable ratio and a reasonable COD that then it's possible that Manchester could comply. It seems to me that the DRA is jumping the gun by 1) assuming that the Board of Assessors with three members of a board and a fourth, Dave Cronnell, could not do an analysis of properties over the summer and come up with a ratio that could conceivably between the 90 and 100 percent. This could be done; it could be done legally. As I said, it was done in Merrimack several years and their ratio came in at 92 or 94 percent with a COD of around 12. So I think that it's jumping the gun for the DRA to threatening the City to go to the BTLA if we suddenly don't come up with a plan right now to do it in 2005, because if the Assessors were to come up with a way of equalizing these values over the summer by using the ratios and doing a statistical analysis, which is perfectly legal, a statistical analysis could bring those assessments into the ratio of between the 90 and 110 percent.

Mr. Petell stated I think you misunderstood what I said Alderman Porter. I said at the end of the review period if you do not have a plan in place, that is the time that we would take you to the BTLA, no now, but a year from now or a year probably last April. So as long as the money is appropriated and in the proper hands and there is a signed contract in place for 2005, at that point, we would not take you to the BTLA. If nothing is in place at that time, we would, understanding that for some reason if the Board of Assessors took it upon themselves to do something,

we always can withdraw that from the BTLA, but we would put that motion forward and get the ball rolling.

Alderman Porter asked nobody here can say that that can't be done?

Mr. Petell replied I certainly am not saying that.

Alderman Porter asked and you can not say that the City will not meet the recommendations of the DRA. In addition to that, if you ordered a revaluation if nothing were in place, and I'm not suggesting that nothing be in place at all forever, but simply for 2005 that the BTLA would necessarily go along with that. You don't know that.

Mr. Petell stated we don't order revals, the BTLA does. All we would do is bring the facts to the BTLA and make our case known to them, what they do is their business.

Alderman Porter stated I understand that. But I think a letter saying this is what you will do, I think everybody or should be, this Board of Assessors, should be aware of what you'd do months and months ago. Steve was on the Standards Board, Mr. Hamilton worked at the BTLA, so most of these things certainly are known by the Board of Assessors here as to what the options are. But my point is this, there is nothing to stop the Board of Assessors from doing a statistical analysis and if the properties did come within the range of the 90 to 110 and the COD were under 20, or between and 20, which is an average COD, the it is not likely that the DRA would necessarily say well no we want you to do it for 2005 when you only know the results in March of 2005. It wouldn't be reasonable to say do a revaluation in 6 months.

Chairman Forest stated let me interrupt here first before you answer. Alderman Porter, I think one of your questions which is Question 4 at the last meeting, you asked Mr. Petell or Steve to answer that question and apparently I think that's the reasoning why we have this letter because you asked the question at the last meeting.

Alderman Porter asked which question was that?

Chairman Forest replied Question 4, which would be Q4.

Alderman Porter responded I'm well aware as a former Assessor, I'm well aware of what the DRA's options are and what the BTLA's options are.

Chairman Forest interjected but what I'm saying is that you asked that question what if.

Alderman Porter stated I did not ask that question, because I know the answer to that.

Assessor Tellier stated just for a matter for the record for those of you here and anybody watching this. The purpose of that survey was to show that Manchester is already shoving 20 pounds in a 5-pound can. We don't recommend just an across the board statistical update. We have a great deal of complexity in the City of Manchester and there's quite a deal of complexity within different portions of the City, so to arbitrarily just apply one percentile and just go with that, which is similar to what the Town of Merrimack did, is not what we recommend. But we're on board and in public recommending for what's typically called a valuation update. It requires in depth analysis of all sales and income expense forms provided by non-residential property. That's what we're on the record in recommending. That's the most appropriate methodology for the City of Manchester.

Alderman Porter stated I didn't recommend using one ratio, that was done by Merrimack probably before there was stratification. There is stratification now and you've outlined in the response that there are several different ratios for different categories of properties, if those were applied and they were applied properly. All I'm saying is there is not guarantee that it can't be done or wouldn't be done, all I'm saying is I think it's a little premature to be assuming the City of Manchester under no circumstances will meet the recommended guidelines and if the BTLA were to be contacted by the DRA after March of next year, there's no way they're going to order a reval for 2005. It just wouldn't happen. The City is too big, they would not order and I think the assumption to say that they are definitely going to order revaluation is an assumption on your part and you can't speak for the BTLA.

Assessor Tellier stated again just as a comment on that. We don't assume or speak for the DRA nor the Board of Tax and Land Appeals. We were informed recently of a class action suit in the City of Portsmouth where they're going to be revisiting the Sorrel Decision and one of the most important parts of that Sorrel Decision was chastising the State for not enforcing its own 5-year constitutional mandate. It also outlined five different capacities of standards that were not being met. Those were fully articulated, the Assessing Standards Board was established to set standards for those five parameters, those five different standards. All we're doing as a Board of Assessors here is making our best professional estimate and recommendation to the Board of Mayor and Aldermen to protect the City of Manchester. We've also seen a great deal of market value fluctuations upward in



all different parts of the City and again, you ask earlier how does that protect the taxpayer. The whole goal is that everyone pay their fair share. That's the goal here. Certainly I can speak for my two colleagues. We don't relish a revaluation and the thousands of phone calls, appeals, and the great deal of work that comes with it. That's our job. We entered into it knowingly and we like what we do, we serve the taxpayer. Part of the education process for the taxpayer is going to be a big part of this. We anticipate having sales information over the web. All of the information over the Web. A great deal of interaction. There's a lot of assets that are out there, there's better information, and Manchester is not unique in what we're going through. The whole state is going through this. It's going to be a learning curve; it's going to be a painful learning curve for the whole state, not just Manchester.

Alderman Lopez seconded the motion to receive and file the communication.

Chairman Forest stated before we vote on it, the Chair would recommend that it goes to the full Board, but we'll take this motion.

Chairman Forest called for a vote on the motion to receive and file the communication. Aldermen Porter and Lopez voted yea. Aldermen Forest, Gatsas and Osborne voted nay. The motion failed.

Alderman Gatsas stated obviously there's some concerns about a full revaluation and I guess maybe you can help me Steve or Guy, can you tell me why there would be such animosity about doing a full revaluation?

Assessor Tellier answered I suspect it's because there are taxpayers or parcels of property in the City that are not paying their fair share of the burden at this time. A revaluation reproportionizes those values. So some will go up, some will stay the same and some will go down, and the angst or the trepidation will likely be those that feel that they're value will go up.

Alderman Gatsas stated probably the last time when, if memory serves me correct, people assumed that the values in the north end were grew at a faster rate than what they did in the south end, chances are if you do a revaluation there should be some level footing there.

Assessor Tellier replied that assumption would be correct.

Alderman Gatsas stated now also an assumption would be that last time the commercial real estate didn't carry the load that it should have carried. I think some of that was due to the fact that property owners were not disseminating the

information to you as far as income and expenses or to the reval company, so that you could get a clearer picture of what those numbers truly were.

Assessor Tellier replied I think that may have been somewhat thought of by many people, but I don't believe that that's quite accurate in this total picture. We had a great deal of appeals of property that were non-residential in nature. Since that time I think we could clearly state that quite a bit of property in different areas of the City. Non-residential have increased in value since 2001. But in 2000, in the late 1990s I don't believe that that's a total accurate picture.

Alderman Gatsas asked if we were to start a complete reval or I guess get under contract for one, what would you think would be the completion date?

Assessor Tellier answered if the goal is a 2005 revaluation, the completion date would most likely be approximately September of 2005, but the effective date of values would be set statutorily April 1, 2001. But during that time there would be a lot of information going out to the public, the notices, hearings, reconciliation of value.

Alderman Gatsas asked when would the actual reports be reported to the homeowners and building owners?

Assessor Tellier answered conceivably late July possibly August.

Alderman Gatsas stated just in time for an election

Assessor Tellier replied the timing is interesting. Although in the 5-year cycle that they're talking about, one cycle would be during an election year, the other cycle would not.

Alderman Lopez stated I seconded the motion to receive and file. I just don't know what the full Board can do. The three Assessors are here, Chairman of the Board and department head, tells us that they make the decision, we don't make the decision, it's up to them to make the decision. Now if they've made their decision that they're going to go ahead and do what they're going to do, we don't have any authority to stop them other than not fund them and then that's going to hurt the process and then that's where Guy is going to say that you don't have a plan in place and he's going to go to the BTLA, unless they come up with an alternative plan for 2006. So I just don't know exactly what the standoff is here. They've already said it three times that they're going to go ahead and do a reval for the City of Manchester and we don't have any authority to stop them.

Chairman Forest stated let me answer that. Alderman, I think what we need to do is get the information that was on this committee to the full Board. I think the decision, you're right, it is the Board of Assessors's, but I think the information that we've asked for I think that's what I would entertain a motion on is to get this information to the full Board.

Alderman Gatsas stated Mr. Chairman, with all due respect, if we don't fund it at the full Board the Assessors can say whatever they want to say. If we don't put it in the budget, Guy Petell's coming back here in a year and he's going to order us to do it. So I think it certainly has to go to the full Board for the appropriation of the funds. Let the full Board make the decision of the appropriation of funds.

Alderman Gatsas moved that this item be sent to the full Board for appropriation of funds for a revaluation. Alderman Porter duly seconded the motion.

Alderman Porter stated I believe there is an amount of money already in the CIP budget and there's also a request for additional help. I don't think that additional funding is being requested at this time. As far as a revaluation is concerned, I think it's very aggressive to think that even if one were ordered right today to be done, that it would be able to be done. By the time you get an RFP, get responses from reval companies and negotiate a revaluation strategy and so forth, that it could possibly be done for tax year 2005, which is one of my concerns is to have this ready, don't forget you're looking at this to be ready for the tax year 2005, which means the values that are generated will effective on April 1, 2005. That's 11 months away. With 32,000 taxable parcels or better and about 3,000 or 4,000 non-taxable parcels, which incidentally also have to be done by law, all of the property whether it's taxable or not, does have to be reevaluated. It is very doubtful in my opinion that there was enough time to do a proper reval in this period. And this has been my concern, not whether we do one, but the timing and I think that we're forgetting one thing is that one was done just three years ago and we're asking the taxpayers to go through this situation again. I went through two full revaluations as an Assessor and obviously it's not easy, it's not going to easy for the board, it's going to be a difficult time. We understand that, but I just thought that in my opinion that 2006 would give the taxpayers more time and give the Assessors more time to line up a strategy to do a revaluation that more than likely would be better than the one that's being done I 2005. And I don't think that everything should be prioritized on a matter of cost, if a better revaluation could be done by doing a scratch revaluation in 2006, rather than risk a revaluation through driving by neighborhoods and so forth and not getting into properties after we did the last revaluation. I just am very concerned about the results of a revaluation, if it's not a scratch revaluation for 2006. I understand it would cost more to do, but in the long run what costs less isn't necessarily the cheapest. And

I think what everybody would be looking for would be a quality job and not a job just to get it done. I think the DRA by placing the City of Manchester in this position three years after was somewhat of an aggressive schedule and I find it hard to believe that they would be hard nosed with the City or the BTLA because in the past they've certainly been very cooperative and I certainly have said from the beginning, in my opinion a strategy to do one in 2006 would give the taxpayers a little bit of a breather to get used to this and also give the Assessors an opportunity to line up a quality revaluation.

Alderman Lopez asked what is the motion?

Alderman Osborne stated Alderman Gatsas made a motion to refer it to the full Board.

Chairman Forest stated and the motion also included for appropriation of funds or was it just the information?

Alderman Lopez asked question when you say for appropriation, are you speaking the \$250,000 more they need for bonding? I'm in favor of that.

Deputy City Clerk Johnson stated I guess I do want to get clarification on that. My understanding is that you want to refer this item to the full Board for discussion and I guess there are issues with regards to appropriation. You're sending it without a recommendation at this time?

Alderman Osborne stated I'd send it with a recommendation of \$250,000 and let the full Board decide.

Alderman Gatsas stated question of Mr. Petell. If this Board decides to do a full revaluation, which obviously could not be completed by April 2005, as long as we appropriate funds and put them in the budget for a complete revaluation, which may take longer, and I guess Alderman Porter called it a scratch valuation which means it gets right to the nitty gritty. It is certainly going to cost us more than the \$250,000.

Mr. Petell replied I'm not sure what your question is.

Alderman Gatsas stated let's try it again. If this full Board decided to do a full revaluation instead of let's call it the short version.

Mr. Petell added statistical update.

Alderman Gatsas replied yes. If that ability was there and we wanted to appropriate those funds in two separate years to do it and complete the evaluation by 2006, is that a problem once we've entered into a contract to do it?

Mr. Petell answered I think it's the feeling of the DRA that we need to see the statistics, if the Manchester statistics fall within those ranges by the end of 2005. However you meet that goal is up to you. I'm not going to speak for the commissioner, but I think that the commissioner is really looking out for all of the taxpayers in the State of New Hampshire and Manchester represents, and I don't know the exact figure, but 8 to 10 percent of the total value of the State of New Hampshire and when Manchester is out of whack, as they are now, as the statistics show now, then it does affect all of the taxpayers in the State and I think that's the concern with the commissioner at this point.

Alderman Gatsas stated but I guess using Alderman Porter's trend of thought, if it's the end of 2005 it gives us another 9 months and that brings us to somewhere around 20 twenty months, which we should be able to complete a full revaluation and have those statistics very much closer to what we should be looking for. I don't want to...I'll defer to Alderman Porter because he certainly knows about the scratch and not the scratch approaches.

Stephan Hamilton, Board of Assessors, stated perhaps the largest single item any revaluation is the measure and list portion. Where we go out and take a tape measure to every building and we've looked at a lot of properties since the last reassessment. We have a high degree of reliability and confidence in the measurements of the properties right now. So doing a full scratch job would just throw out what we think is basically good information in favor of other information, not necessarily better. So what we're proposing is that this valuation update be completed with the existing measurement and listing information on all of the properties and that subsequent to that and between now and 2009 we measure and list all of the properties within the City utilizing the two extra employees that we've asked for as part of the budget process. So that by the time we get to 2009, we will have inspected all of the properties in the City and will be prepared to do a valuation using those new measure and listings as well.

Alderman Porter stated I think this important discussion. It is for everybody. The benefit of a scratch revaluation is you pick up everything. Measure, list, obviously you review for quality and so forth. The data was collected for the revaluation that is presently in play, if you will, of 2001, the data collection was started probably in the latter part of 1999. That's 5 years ago. I believe that there have been a number of changes in the City that could definitely warrant doing a scratch revaluation. Just to sit Mr. Hamilton and say here's what's going to happen. I've been there. I've been in the City with number of parcels. Steve has. Tom has.

And I think there's a lot more involved than you are aware at this point. Because I think a statistical analysis is nice, but 5 years. We went through probably the toughest recession the City has ever experienced, with the exception of maybe the depression, that occurred after the 1991 revaluation, where properties went way down and then they started to come back. It was a horrendous time for everybody. We haven't had that situation where it's gone down except that a lot of properties, there have been a lot of new properties out there, and I agree with you, the data is good. But I think there's more to just doing it than just the data collection, there's a feel for what's out there, a feel for what's happening the community. If the north end had been over assessed, which I don't agree with as opposed to any other part of the City, but I'm saying if it were, what's to guarantee that something like that couldn't happen again. It can. It depends upon the reval. I just don't have confidence in a statistical revaluation or driving by and looking at a house and saying well I think that's the same. The data was done 5 years ago; there have been ample changes, if after the initial revaluation of a scratch revaluation is done, then you at least have a good solid base to go forward with annual updates or anything of that nature. Which does lead me to another area. Are you saying that by doing an in...let's saying you assume in 2005 you do the revaluation update, whatever you want to call it, and it passes the State's muster, then you go into 2009, I don't believe that an assessment, a revaluation of a city this size can be done in house by just adding two more people. I can't believe that you're not always going to have to go out and hire a consultant. For a lot of reasons. Number 1 is the size of the city, number 2 you are a Board of Assessors, it is not just like being an appraiser for the City, it is far more involved and more responsibility. Is it prudent for it to be done in house? I don't think that that's been determined and I am not going to make all of my decisions based simply on the cost, because I said before what costs you less now may not be the cheapest in the long run.

Assessor Hamilton stated and I would agree with you Alderman. And as part of our plan as presented to you and consistently, we've been including a cost for consultants, at least in the first cycle, that we'd be doing the valuation updates or revaluations in house and that would be the first ten year cycle that we'd be looking at having consultants come in and assist us with this activity.

Alderman Porter stated so it's truly not a total in house and I think the Mayor has on a couple of occasions said by adding two more people they can do the whole thing in house. I think there's either a misunderstanding or a miscommunication and I think you should maybe have this discussion with the Mayor to make sure that he is aware that even if you have two people or four more people, you're going to have to get some outside consultant help to do the analysis.

Alderman Osborne asked Steve, since the revaluation I'm sure all of the new construction that's out there and everything and you have all of the specifications, all the information you need as far as that's concern, right?

Assessor Tellier replied I think what Alderman Porter was alluding to are changes that are occurring outside of the permit process, but anything that was permitted as you alluded to, we've picked it up if we're notified.

Alderman Osborne asked even the last revaluation all the properties that were looked at, you have all of those measurements, right?

Assessor Tellier answered yes we do.

Alderman Osborne stated and I don't think too many foundation sizes have changed since then or lot sizes, so I don't know what the big change or the big difference would be outside of the reval itself.

Assessor Tellier stated if I may just briefly summarize and demystify a valuation update. We've talked about statistics, that's only a small part of it. In a valuation update we have approximately 3,600 transfers a year. About 2/3 of those would be considered valid or qualified, where it requires a visit, an actual onsite visit to determine if what was sold is the same as what the City has in its records and make adjustments if it's found that it isn't.

Alderman Osborne asked wouldn't you get that in the last reval?

Assessor Tellier answered no, there's been several years since. There's been a lot of properties for example where a porch may have been opened up, insulated, finished off, and additional living areas...

Alderman Osborne asked in the last 5 years you're talking?

Assessor Tellier answered in the last several years, certainly. And you could check with the Building Department, they will tell you that they encounter often is construction done without benefit of permit. We see it in the paper.

Alderman Osborne asked wouldn't this be picked up through the Building Department, could be picked up that way, or ZBA or anything like that? All the changes that were made?

Assessor Tellier replied part of what we're proposing Alderman is a small amount of additional staff that their job would be to go out in the field and verify property in a cycle. Visit all property within the City within a four to five year timeframe

so that every piece of property is visited, and that would be a continuing cycle. That's what's going to occur eventually probably step 1.

Alderman Osborne asked you're talking about 2009? Is that what you're saying?

Assessor Tellier replied for the immediate goal...

Alderman Osborne asked you want to do in house now, full reval?

Assessor Tellier answered we want to contract this next one. We would hire a consultant to assist us to do that. However, our long-term goal is to have staff to do it predominately in house where we have our staff and we're checking, verifying and qualifying all data ourselves.

Alderman Lopez stated just to make a comment and then turn it over because it's going to be information. I just hope that we don't change positions as we go to the full Board as to what you're saying and just to recap that the Assessors want to go ahead with the plan that they've presented. But I've got to clear this up in my mind. Looking at what Guy, I presume you presented this document, which is your letter, when you're talking about a complete reval in house, and I look at this and I say in house Concord 40,000 people, part time employees, I guess that three members part time Board of Assessors, that what they have, and Nashua's part time Board of Assessors, that what they have. Am I reading this correctly?

Assessor Tellier answered that's correct. The line that you're reading Alderman, that's just the structure of the Board. If you look below, that's the staffing levels, the fulltime positions.

Alderman Lopez stated I understand that. But the point I want to make is that we have three fulltime Assessors. They're more than just Assessors in house. They are also capable of doing all of the appraisals and everything else that goes out there. They're not part time people, and I hope that we understand that. Because people that are making the type of money as the title as officers of the City, have the capability of going out there and doing the grunt work out there too as an Assessor. I just want to point that out. Guy, I asked you a question one time before. Considering the size of the City of Manchester in your professional opinion, can we do an in house complete scratch reval?

Mr. Petell asked with the existing staff?

Alderman Lopez answered yes.

Mr. Petell answered no.



Alderman Lopez asked so we'd always have to fund for some type of consultant people to come in and do it?

Mr. Petell answered that's correct. I would say that would be the best way to do it.

Chairman Forest stated if the Clerk could please read the motion.

Deputy City Clerk Johnson replied it is my understanding that there's a motion on the floor to refer this matter to the Board of Mayor and Aldermen with the recommendation of appropriation of \$250,000 in additional bonding. You just want to just refer the matter to the Board of Mayor and Aldermen?

Alderman Osborne answered yes.

Alderman Osborne moved to refer the 2005 revaluation to the Board of Mayor and Aldermen for discussion. Alderman Gatsas duly seconded the motion.

Deputy City Clerk Johnson asked do you want enclosed with that report to the Board that you're just referring the item there, any kind of outline or proposal from the Board of Assessors to state what the discussion has been, because the Clerks don't really have a handle on that in writing.

Alderman Osborne stated I guess that they could be present at that full Board meeting.

Deputy City Clerk Johnson stated so we'll just refer the matter there without any attachments.

Alderman Osborne stated with any information that we received in the past, plus we can all meet then.

Chairman Forest called for a vote on the motion to refer the 2005 revaluation to the Board. There being none opposed, the motion carried.

Alderman Porter asked can I ask an informal question, procedurally, being a rookie, not knowing anything about the procedure. Whether it's this committee or the Board I think you had in mind a funding issue Alderman Gatsas? What will the full Board be doing, I guess is my question?

Chairman Forest stated if they needed funding it would have to go to the full Board.

Alderman Porter asked but what would be the purpose of the...what will come to the full Board?

Chairman Forest answered the information that we received plus if they need funding, the Board of Mayor and Aldermen could approve it.

### OTHER BUSINESS

Discussion regarding Ordinances:

“Amending Chapter 130: General Offenses of the Code of Ordinances of the City of Manchester by repealing Section 130.10 Tattooing in its entirety.”

“Amending the Zoning Ordinance of the City of Manchester to include a new use group category for Tattoo Parlors, inserting changes to Table 5.10, adding supplementary regulations for tattoo parlors, and providing for location restrictions so as to prohibit such parlors within 600 feet from each other and not less than 500 feet from a Residential or Civic Zone.”

Chairman Forest stated there's a recommendation from the Chair that we send it to the full Board for approval to send it to a public hearing.

Alderman Porter moved to send this item to the full Board for approval to send it to a Public Hearing. Alderman Osborne duly seconded the motion.

Alderman Lopez asked is that the normal procedure? What are we sending to a public hearing? The law stipulates that they could have tattoo parlors in the City of Manchester. What are we sending?

Chairman Forest stated our Ordinance states that it has to be done by a physician. There are some people that sued the City, we lost and the Court stated that we either have to appeal this or implement an Ordinance by June 6<sup>th</sup> and Solicitor Arnold can answer that question.

Alderman Lopez stated okay, I need some answers. Why do we have to send it to a public hearing if the Superior Court has ruled in favor of the tattoo parlors?

Thomas Arnold, Deputy City Solicitor, answered I'm not sure I heard the questions, but let me give you a little background. There was, as you know a suit filed in Federal District Court. The Federal District Court asked the parties to

brief the issue of whether the City was preempted from regulating I believe the health aspects of tattoo parlors in light of the recent recodification of State legislation. That issue was briefed. The Federal District Court issued a ruling that the City was preempted from regulating the health issues separate and apart from the zoning issues. You still have that ability. In light of that I approached Alderman Forest and suggested that the Board or the committee might want to reconsider some zoning legislation to control the zoning aspects of tattoo parlors here in the City.

Chairman Forest stated and that's what would have to go to a public hearing.

Alderman Lopez asked Tom, I know you are going to have a public hearing and everybody is going to have their ideas of what we should do, but what is within the law that we can do? That's the big question here. So I come up at public hearing or other people come up at a public hearing and say I don't want it downtown, well you can't do that, right?

Solicitor Arnold answered I believe that this Board retains full authority to pass zoning ordinances with respect to tattoo parlors as a business. In a similar manner it retains authority zone other types of businesses within the City of Manchester.

Mayor Baines stated that would be my concern as well and is it this committee, Mr. Arnold, that would have the jurisdiction of making recommendations or where would the zoning issues related to that normally go?

Chairman Forest stated we I believe as a committee can make the recommendation as far as the zoning, as far as I know.

Solicitor Arnold replied the committee could certainly make a recommendation, however, the State statute requires that it be sent to public hearing by the Board of Mayor and Aldermen and that the Board of Mayor and Aldermen...

Mayor Baines interjected I totally understand that but there are some issues that are raised legitimately about the Ordinance as it was presented because it's my understanding it really restricted those parlors to just downtown. Could I ask Mr. MacKenzie a question about that?

Chairman Forest answered sure.

Mayor Baines asked Mr. MacKenzie, could you explain the existing Ordinance, and that's where I would have concern at least for deliberations purposes should we have an Ordinance that just restricts it to the downtown area and why we would have an Ordinance that would just put them downtown.

Robert MacKenzie, Planning Director, answered it would likely have to go into some business district. I do have a map for the reference of the committee that shows the B-2 districts for example, which are spread throughout the City and the downtown. It was our opinion when we were asked to draft something previously that at least in the downtown you do not need large signs as tattoo parlors have in Salem for example, and if you had distance separation between each other and between public buildings, you could avoid concentrations of tattoo parlors. So at the time when we looked at all of the possible options, that was one that probably seemed most reasonable. Allow them in the downtown, but have separation between each other, 600 feet separation and separation from buildings like City Hall and the Verizon Wireless Arena. They would have to separation from those public buildings.

Mayor Baines asked is it your understanding that you could craft an Ordinance where they would not be in the downtown area. I had heard some talk, and again, just speculation that some communities have actually restricted them to areas zoned industrial. Have you heard that?

Mr. MacKenzie answered I haven't heard that any community had limited them to industrial area. I think commonly the courts would say it's a business and have to be in some type of business zone.

Mayor Baines asked so do you still think that that's the appropriate alternative for reasons that you stated that it would just be in the downtown area or is that something...?

Mr. MacKenzie replied I could hand out the map.

Mayor Baines interjected no it probably isn't the time now, but I just want to make sure there's some jurisdiction that that whole issue could be looked at. Because I would not necessarily be in favor of proliferation of them all over the City, but there may be some creative approaches. Obviously we have comply with the law but I want to make sure that when we have an ordinance, it's well thought out and perhaps with some information we gather there may be a different direction which this Board might choose to go in.

Chairman Forest stated let me explain. I think when I read this this morning, the results of this. I saw Bob MacKenzie and Solicitor Arnold in reference to this and asked them I'm aware that the Courts state that we pretty much have to give them a license because of the new State laws and because of our Ordinance on the tattooing itself. The concern I had was also the same concern you have. Is there any way that we as a Board can restrict where they go and I was just wondering if

we could do it separately? Send this one to the Board and then table the other one and that's the part of the discussion right now.

Alderman Gatsas stated I can only tell you that this committee for two years has wrestled with the tattoo parlor situation, and I would remind us all to be very careful what we say because if we're talking about restriction, somebody is going to be suing us for free trade and that's going to open up the door. I don't think that any of us want to go down that road. So if we don't provide an Ordinance that allows for free trade barrier as we did the last time we presented this zoning ordinance change that has to go to a public hearing, I will remind everybody that we worked on it for the better part of 18 months, had no testimony come before this committee that was in opposition to it until the Ordinance came before the Committee on Bills on Second Reading and then all of a sudden I'm sure Alderman O'Neil will remind everybody that some of us weren't too happy that the work we did all of a sudden caught criticism in the last hour. Again, I would tell my colleagues to be careful on using the word restriction because I don't think that's what we'd doing here, I think what we're doing is laying out a plan so many feet from civic zone and so many feet from residential zone and if memory serves me correct that would allow a maximum of what, six downtown, between Bridge Street and Auburn Street, I believe.

Mr. MacKenzie stated I've heard ranging numbers. I didn't do the calcs, although I will before that hearing so know for sure. I've heard between six and ten.

Alderman Osborne stated I have to reiterate Mr. Gatsas here. Free trade. I had a question about that myself. I've been in business all of my life and I had a business and opened right next door to another one the same as mine, so I don't know how we can really decide whether how far we put these tattoo parlors apart, and what we have written now at 600 feet apart downtown and 500 feet from a residential. Is that the way it reads?

Mr. MacKenzie answered yes. I think I mentioned public buildings. That's not correct, that's another ordinance. It is 600 between each other and 500 feet from a residential or civic zoning district.

Alderman Osborne asked so even in the small areas where it's zoned B-2, they'd have a hard time getting in there if they've got 500 feet to contend with. So it's really pushing them out in a lot of area here. So I have my doubts there but referring it on is fine with me and let everybody, 15 heads are better than 5, so I have no problem with referring it on.

Alderman Roy asked Bob, being a map guy, you held up a map for a brief second, and being in the northern most section of the City, I tend to pick my ward out pretty quickly, is that a map of as the Ordinance is written, or is that a map of current business areas?

Mr. MacKenzie answered this is a map of the current business areas. Just so you understand what and where the different business zones are and there's three business zones that we have in the zoning ordinance. These are options.

Alderman Roy asked if I could get an opportunity to see that or get a copy of it, I would appreciate that.

Alderman Lopez stated just a clarification. The civic zone, does that include schools too?

Mr. MacKenzie replied we have two civic zones. One is up around the Currier Gallery of Art and extends down to the Library, that's a C-1 district. And the C-2 district is our hospitals. So we do not have any that encompass public elementary schools.

Alderman Lopez asked so if you're doing so many feet away from something, would schools be included in that somehow?

Mr. MacKenzie answered it's not in this current Ordinance.

Alderman Lopez asked so one could be across the street from the schools?

Mr. MacKenzie answered remember this is only allowed in the orange district on this map. The CBD. There are no public schools within the orange zone. I think the closest is a parochial school on Union Street.

Chairman Forest stated the Clerk has a clarification for the committee.

Deputy City Clerk Johnson stated I just wanted to clarify two things. One is there are two ordinances there. One basically eliminates or cleans up the one that is existing in books that has the medical reference and so forth, which is basically against the Court rulings. The second one is the zoning Ordinance and it would require the public hearing. You could refer it out to the Board with the recommendation to send it to public hearing and Bills on Second Reading. If you're considering expanding the area at all though, once it goes to public hearing, it would have to go back again for a second time if you're going to expand that district further. So if you're trying to consider other things, you may want to do

that at this level first before you ask the Board to hold a public hearing and then you have to ask them to hold another one.

Chairman Forest asked would that require two public hearings?

Deputy City Clerk Johnson answered let's see where they go. Because we can get it all in one motion.

Alderman Lopez stated sitting here and reading this, now what's going to the public hearing if the planning aspect of it is 600 feet and that whole thing is changed afterwards? Does that have to go back out to a public hearing?

Deputy City Clerk Johnson answered if you were reducing that requirement or eliminating that requirement, that would not necessarily change...what I'm saying is if you're saying a B-2 district and then add in another district or if you're going to increase the sizes of the areas, that's when you're going to get into those kinds of issues. I just want you clear to understand that substantial changes will require you going out to public hearing particularly if you expand the district that you're discussing. As it's outlined as I understand it now, you're talking about a 500 foot versus 600 foot apart, those kinds of things. I don't think that if you reduce that to say 300 or 200 feet, I don't think that would necessarily require anything because you're going down. But if you went to a bigger area, that's when you're going to be into trouble. The first ordinance, by the way, does not require a public hearing. That can just come out here as a recommendation to refer it to Bills on Second Reading.

Alderman Gatsas asked City Solicitor, can you give us what is that timeframe again. We have to have something in place by when?

Solicitor Arnold answered the Courts decision, if I remember correctly, was issued on May 6<sup>th</sup>, we have 30 days to decide whether to appeal or not, so it's probably around June 6<sup>th</sup>, it may be June 5<sup>th</sup>.

Alderman Gatsas asked and if we don't appeal, what is the timeframe for having to institute a zone?

Solicitor Arnold answered if we do not appeal, I presume at that point since the present court order says that we can not regulate the health aspects once that appeal period passes, an applicant could come in and apply for a license to establish a tattoo parlor.

Alderman Gatsas asked if we move this to the full Board, what is the timeframe for a public hearing?

Solicitor Arnold replied it would have to go the full Board, they could send it to public hearing, and if my recollection serves me correct, it's either 14 or 15 days that you have to give notice before holding the public hearing.

Alderman Gatsas asked so even if we following all the guidelines of a public hearing, that means that we're going to be beyond the June 6<sup>th</sup> date, which means they can come in and put it anywhere?

Solicitor Arnold answered no, because under the present state of the law once the Board sends it to public hearing and posts the proposed changes, an applicant would have to abide by that if they were coming to ask for a license.

Alderman Gatsas stated so we need to get something before the full Board and into a public hearing before June 6<sup>th</sup>.

Alderman Lopez moved to refer the first Ordinance to the Bills on Second Reading and the second Ordinance be sent to Public Hearing and Bills on Second Reading. Alderman Gatsas duly seconded the motion.

Mayor Baines stated just so I understand, it's the actual ordinance that was drafted by the group that you worked on that would actually go to the public hearing. Are we correct on that?

Chairman Forest stated unless we change it tomorrow night.

Deputy City Clerk Johnson stated it could be changed tomorrow evening before you send it out to public hearing or it can be amended after the public hearing. As long as you're not increasing the space.

Chairman Forest called for a vote on the motion. There being none opposed, the motion carried.

There being no further business to come before the committee, on motion of Alderman Porter, duly seconded by Alderman Lopez, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee